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ARAB ISLAMIC BANK P.L.C.

FINANCIAL STATEMENTS

MARCH 31, 2025

STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	March 31 2025	December 31 2024
	U.S. $	U.S. $
Assets		
Cash and balances with Palestine Monetary Authority	375,218,492	379,018,388
Balances at banks and financial institutions	97,059,794	93,132,163
Investments at Islamic banks	5,999,786	5,999,713
Direct Islamic financing	1,092,711,340	1,103,802,851
Financial assets at fair value through other comprehensive income	10,748,596	10,166,762
Financial assets at amortized cost	41,044,809	35,989,346
Investment properties	24,883,215	24,883,215
Property and equipment	17,028,238	17,591,940
Projects in progress	1,423,071	1,294,016
Right of use assets	4,688,456	4,970,360
Deferred tax assets	11,644,575	11,644,575
Intangible assets	1,616,943	1,704,858
Other assets	16,804,947	18,204,688
Total assets	1,700,872,262	1,708,402,875
Liabilities, unrestricted investment accounts and equity		
Liabilities		
Istidama loans from Palestine Monetary Authority	14,967,703	15,643,037
Palestine Monetary Authority's deposits	-	12,344,355
Banks and financial institutions' deposits	77,197,079	78,169,820
Customers' deposits	440,625,160	434,148,259
Cash margins	101,539,755	100,294,831
Sundry provisions	12,394,368	11,946,931
Tax provisions	32,568	246,365
Deferred tax liabilities	2,830,662	2,830,662
Lease liabilities	5,020,501	5,312,528
Other liabilities	21,394,126	21,527,009
Total Liabilities	676,001,922	682,463,797
Quasi-equity		
Unrestricted investment accounts	879,716,812	883,045,109
	879,716,812	883,045,109
Equity		
Paid-in share capital	101,119,252	101,119,252
Statutory reserve	10,480,248	10,480,248
General banking risk reserve	8,374,674	8,374,674
Pro-cyclicality reserve	5,200,696	5,200,696
Investment properties reserve	7,755,030	7,755,030
Cumulative change in fair value reserve	(489,461)	(996,684)
Retained earnings	12,713,089	10,960,753
Net equity	145,153,528	142,893,969
Total liabilities, quasi-equity accounts and equity	1,700,872,262	1,708,402,875
Commitments and Liabilities	235,197,307	239,049,628

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INCOME STATEMENT

For the three-month period ended March 31, 2025

	For the three months ending March 31	
	2025	2024
	U.S. $	U.S. $
Revenues		
Financing and investment revenues	18,169,166	17,395,586
Net commission revenues	1,138,310	1,426,459
Foreign currency exchange gain	1,504,879	1,394,900
Other revenues	77,564	110,223
Total revenues	20,889,919	20,327,168
Expenses		
Personnel expenses	(5,073,506)	(5,402,539)
Other operating expenses	(4,617,624)	(4,700,877)
Depreciation and amortization	(1,164,195)	(1,188,452)
Impairment loss, net	(3,453,385)	(2,755,548)
Total expenses	(14,308,710)	(14,047,416)
Profit before taxes and attribution to quasi-equity	6,581,209	6,279,752
Less: Net profit attributable to quasi-equity holders	(3,328,873)	(2,307,839)
Profit before taxes	3,252,336	3,971,913
Taxes expense	(1,500,000)	(1,500,000)
Profit for the year	1,752,336	2,471,913
Basic and diluted earnings per share	0.017	0,024

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STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended March 31, 2025

	For the three months ending March 31	
	2025	2024
	U.S. $	U.S. $
Profit for the year	1,752,336	2,471,913
Other comprehensive income items:		
Items not to be reclassified in the income statement in subsequent periods:		
Change in fair value of financial assets	507,223	244,566
Other comprehensive income	507,233	244,566
Total comprehensive income for the year	2,259,559	2,716,479

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STATEMENT OF CHANGES IN EQUITY

For the three-month period ended March 31, 2025

		Reserves						
	Paid-in share capital	Statutory	General banking risk	Pro- cyclicality	Investment properties	Cumulative change in fair value	Retained earnings	Net equity
March 31, 2025	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
Balance, beginning of the year	101,119,252	10,480,248	8,374,674	5,200,696	7,755,030	(996,684)	10,960,753	142,893,969
Profit for the year								
Other comprehensive income	-	-	-	-	-	507.223	1,752,336	1,752,336
Total comprehensive income for the year								
Transfers to reserves	-	-	-	-	-	507,233	-	507,233
Balance, end of year	101,119,252	10,480,248	8,374,674	5,200,696	7,755,030	(489,461)	12,713,089	145,153,528

		Reserves						
	Paid-in share capital	Statutory	General banking risk	Pro- cyclicality	Investment properties	Cumulative change in fair value	Retained earnings	Net equity
March 31, 2024	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
Balance, beginning of the year	101,119,252	10,368,072	8,374,674	5,200,696	7,359,871	(1,369,860)	9,951,193	141,003,898
Profit for the year	-	-	-	-	-	-	2,471,913	2,471,913
Other comprehensive income	-	-	-	-	-	244,566	-	244,566
Total comprehensive income for the year	-	-	-	-	-	244,566	2,471,913	2,716,479
Balance, end of year	101,119,252	10,368,072	8,374,674	5,200,696	7,359,871	(1,125,294)	12,423,106	143,720,377

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STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2025

	For the three months ending March 31	
	2025	2024
	U.S. $	U.S. $
Operating activities		
Profit before taxes	3,252,336	3,971,913
Adjustments for:		
Sundry provisions	457,980	530,538
Depreciation and amortization	1,164,195	1,188,452
Impairment loss, net	3,453,385	2,755,548
Finance costs on lease liabilities	28,511	34,002
Other non-cash items	(9,252)	–
	8,347,155	8,480,453
Changes in assets and liabilities:		
Statutory cash reserve	(5,325,638)	1,662,656
Direct Islamic financing	7,535,277	(6,347,192)
Balances at banks and financial institutions maturing after three months	(28,208,817)	(21,152,098)
Banks and financial institutions' deposits maturing after three months	1,324,230	1,511,819
Other assets	6,476,901	3,724,956
Customers' deposits	1,244,924	(12,701,125)
Cash margins	(153,857)	(5,215,516)
Other liabilities	(5,325,638)	4,101,637
Net cash flows used in operating activities before taxes and provisions	(8,759,825)	(25,934,410)
Sundry provisions paid	(10,543)	(323,767)
Taxes paid	(1,704,545)	(2,432,432)
Net cash flows used in operating activities	(10,474,913)	(28,690,609)
Investing activities		
Purchase of financial assets at amortized cost	(10,094,243)	–
Matured financial assets at amortized cost	5,292,300	7,461,557
Purchase of financial assets at fair value through other comprehensive income	(74,611)	–
Purchase of property and equipment	(134,313)	(130,599)
Projects in progress additions	(152,255)	(138,427)
Purchase of intangible assets	(73,161)	(269,631)
Net cash flows (used in) from investing activities	(5,236,283)	6,922,900
Financing activities		
Lease liabilities paid	(320,538)	(320,537)
Istidama loans from Palestine Monetary Authority	(675,334)	4,919,030
Change in unrestricted investment accounts	(3,328,297)	(19,953,577)
Net cash flows used in financing activities	(4,324,169)	(15,355,084)
Decrease in cash and cash equivalents	(20,035,365)	(37,122,793)
Cash and cash equivalents, beginning of the year	236,035,564	243,409,110
Cash and cash equivalents, end of year	216,000,199	206,286,317

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STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY ACCOUNTS

For the three-month period ended March 31, 2025

	For the three months ending March 31	
	2025	2024
	U.S. $	U.S. $
Profit before taxes and net profit attributable to quasi-equity	6,581,209	6,279,752
Less: Income not attributable to quasi-equity	(2,720,753)	(2,931,582)
Add: Expense not attributable to quasi-equity	10,855,325	11,291,868
Profit attributable to quasi-equity before the bank's Mudaraba income	14,715,781	14,640,038
Less: Mudarib's share	(13,979,992)	(13,908,036)
Add: Support provided by the bank	2,593,084	1,575,837
Net profit attributable to quasi-equity accounts	3,328,873	2,307,839

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STATEMENT OF EARNINGS AND DISBURSMENT PROHIBITED BY SHARI'A

For the three-month period ended March 31, 2025

	March 31 2025	December 31 2024
	U.S. $	U.S. $
Balance, beginning of the year	-	-
Sources of earnings prohibited by Shari'a		
Banking interest	31,290	62,589
Profit from direct Islamic financing	206	10,890
Total earnings prohibited by Shari'a	31,496	73,479
Gross earnings prohibited by Shari'a	31,496	73,479
Disbursements		
Donations	(31,496)	(73,479)
Total disbursements	(31,496)	(73,479)
Balance of earnings and disbursement prohibited by Shari'a, end of year	-	-

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